NEWS RELEASE

Wolseley plc - proposal to redomicile

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Wolseley PLC
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Wolseley plc

WOLSELEY TO INTRODUCE A NEW UK LISTED HOLDING COMPANY

The Proposals

Wolseley plc ("Wolseley") today announces a proposed change to the corporate structure of the Wolseley Group (the "Group"). The restructuring proposals (the "Proposals") will create a new Group holding company which will be UK listed, incorporated in Jersey and will have tax residence in Switzerland ("New Wolseley").

The Board has concluded that the interests of its business and its shareholders are best served by establishing an international holding company corporate structure that will help provide more certainty in its taxation position. A new Group holding company, New Wolseley, will be incorporated in Jersey, with its tax residence in Switzerland. The Proposals are expected to enable the Group to achieve a competitive effective corporate tax rate. The Proposals will not change the tax position of the UK business.

The Proposals are being implemented by means of a scheme of arrangement of Wolseley under Part 26 of the Companies Act 2006 (the "Scheme") and are therefore subject to shareholder approval at a court meeting and a general meeting. A circular setting out full details of the Proposals will be sent to Wolseley shareholders on or around 1 October 2010 (the "Circular"). A prospectus in relation to New Wolseley will be published by New Wolseley on or around 22 October 2010 (the "Prospectus"). Both documents will be available on the Group website (**www.wolseley.com**) from their respective publication dates. If approved by Wolseley shareholders, and subject to the satisfaction of certain other conditions, the Scheme is expected to become effective on or around 23 November 2010.

New Wolseley is anticipated to have the same Board and management team as Wolseley on the date that the Scheme becomes effective. The New Wolseley Group will have the same business and operations after the Scheme becomes effective as the current Group. The Proposals will not result in any changes in the day-to-day operations of the business of the Group or its strategy. It is expected that New Wolseley will continue to report the Group financial results in pounds sterling. The Proposals are not expected to have any adverse implications for Wolseley shareholders as a whole.

Application will be made to the UK Listing Authority for New Wolseley to be admitted to the premium segment of

the Official List and to the London Stock Exchange ("LSE") for the shares in New Wolseley to be admitted to trading on the LSE's main market. It is anticipated that New Wolseley will establish an American Depository Receipt facility that will be substantially the same as arrangements under the existing Wolseley ADR facility.

The implementation costs of the Proposals are expected to be approximately £6 million.

Terms of the Scheme

Under the terms of the Scheme, New Wolseley will issue ordinary shares ("New Wolseley Shares") to holders of Wolseley shares on a one-for-one basis in exchange for the cancellation of their Wolseley shares and the issue of new shares in Wolseley to New Wolseley.

The effect of the Scheme will be that:

· New Wolseley will become the new holding company of the Group; and

· each Wolseley shareholder will own an identical number of New Wolseley Shares to the number of ordinary shares in Wolseley owned immediately before the Scheme.

Wolseley shareholders will not be required to pay any amount for the New Wolseley Shares issued under the Scheme.

Other Actions

Wolseley also expects that New Wolseley will implement the following actions after the Scheme has become effective as part of the Proposals:

· undertaking a court approved reduction of New Wolseley's capital (involving the cancellation of share premium) in Jersey. If implemented and approved by the court, this will create a reserve of profit in the accounts of New Wolseley. Distributions paid out of this reserve should not be subject to Swiss withholding tax on payment and should be regarded as a dividend on receipt by UK corporate shareholders (the "New Wolseley Reduction of Capital");

· the adoption of certain share option plans for the purpose of granting options and awards over shares in New Wolseley to employees of New Wolseley and its subsidiaries; and

· an internal corporate reorganisation of the New Wolseley group to facilitate the achievement of the anticipated benefits from the new Group holding company structure.

Conditions to implementation of the Proposals

The Scheme will require the approval of Wolseley shareholders at a shareholder meeting to be convened at the direction of the High Court (the "Court Meeting"). The approval required at the Court Meeting is a majority in number of Wolseley shareholders present and voting (whether in person or by proxy) representing not less than 75% in value of those Wolseley shareholders who vote at the meeting.

The Scheme will also require separate approval by not less than 75% of all Wolseley shareholders who vote (whether in person or by proxy) at a general meeting of Wolseley (the "General Meeting").

In addition to the approvals mentioned above, the Proposals will be conditional on, amongst other things, the sanction of the Scheme by the High Court.

Annual General Meeting

Assuming the Scheme becomes effective, the next annual general meeting for the Group will be an annual general meeting of New Wolseley which is expected to be held on 20 January 2011. Notices for this annual general meeting will be sent to holders of New Wolseley shares in due course.

Expected timetable of principal events

The expected timetable of key events is provided below.

Monday 27 September 2010	Publication of Wolseley's annual final results for the year ended 31 July 2010
Friday 1 October 2010	Publication of Circular
Friday 22 October 2010	Publication of Prospectus
10.30 a.m. Friday 29 October 2010	Latest time for receipt by registrars of form of proxy from Wolseley shareholders for the Court Meeting
10.45 a.m. Friday 29 October 2010	Latest time for receipt by registrars of form of proxy from Wolseley shareholders for the General Meeting
6.00 p.m. Sunday 31 October 2010	Voting record time for the Court Meeting and the General Meeting
10.30 a.m. Monday 2 November 2010	Court Meeting
10.45 a.m. Monday 2 November 2010	General Meeting

The following dates are subject to change:

Friday 19 November 2010	First Court hearing to sanction the Scheme
Monday 22 November 2010	Last day of dealings in, and for registration of transfers of, Wolseley shares
Monday 22 November 2010	Second Court hearing to confirm the reduction of capital associated with the Scheme
6.00 p.m. Monday 22 November 2010	Scheme record time
Tuesday 23 November 2010	Scheme effective date
Tuesday 23 November 2010	Delisting of Wolseley shares, admission and listing of New Wolseley Shares and commencement of dealings in New Wolseley Shares on the LSE
Tuesday 23 November 2010	Credit of New Wolseley Shares in uncertificated form to CREST accounts
Tuesday 7 December 2010	Dispatch of share certificates in respect of New Wolseley Shares in certificated form
Thursday 20 January 2011	New Wolseley Annual General Meeting

Unless otherwise stated, all references to times in this document are to London time. These times and dates are indicative only, subject to change and will depend, amongst other things, on the date on which the High Court sanctions the Scheme. In particular, certain Court dates are subject to confirmation by the Court. If the scheduled date of either or both of the Court hearings is changed, New Wolseley will give adequate notice of the change by issuing an announcement through a Regulatory Information Service. Any changes to other times or dates indicated above may, in New Wolseley's discretion, be notified in the same manner. All Wolseley shareholders have the right to attend the Court hearings.

Sponsors

Deutsche Bank AG, London Branch ("Deutsche Bank") and Merrill Lynch International ("MLI") are acting as joint sponsors to New Wolseley's listing and as joint corporate brokers. Deutsche Bank and MLI, both of which are authorised and regulated by the Financial Services Authority, are acting exclusively for Wolseley and New Wolseley and no-one else (whether or not a recipient of this announcement) in connection with the Proposals and will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the Proposals, and will not be responsible to anyone other than Wolseley and New Wolseley for providing the protections afforded to their respective clients or for providing advice in relation to the Proposals or any transaction or arrangement referred to herein.

This announcement has been prepared by and is the sole responsibility of Wolseley. The information contained in

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- Ends -

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NOTICE TO UNITED STATES RESIDENTS

This document is not an offer of securities for sale in the United States. The New Wolseley Shares, which will be issued in connection with the Scheme, have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"). The New Wolseley Shares may not be offered or sold in the United States

absent registration under the Securities Act or an exemption from registration. The New Wolseley Shares will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof.

The Scheme relates to the effective exchange of shares in a UK company for shares in a Jersey company and is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme and issue of New Wolseley shares is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure and other requirements of the US securities laws.

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Notes to Editors:

About Wolseley

Wolseley plc is the world's largest specialist trade distributor of plumbing and heating products to professional contractors and a leading supplier of building materials. Group revenue for the year ended 31 July 2010 was approximately £13.2 billion and operating profit, before exceptional items and the amortisation and impairment of acquired intangibles, was £450 million. At 31 July 2010 Wolseley had approximately 47,000 employees operating in 25 countries. Wolseley is listed on the London Stock Exchange (LSE: WOS) and is in the FTSE 100 index of listed companies.

This information is provided by RNS
The company news service from the London Stock Exchange

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